

THE FUTURE OF SUGAR

Will Production Cost Increase?

FIGURES ON THE SUBJECT

Opinions of Dr. Harvey Wiley, Chemist of Department of Agriculture.

The following on the conditions which will tend to increase the cost of sugar is taken from a report on the industry in Hawaii written by Dr. Harvey Wiley, Chemist of the Department of Agriculture of the United States, and published in a report on the "Progress of the Beet Sugar Industry in the United States," by order of Congress:

Unskilled labor performed on the plantations and in the mills in the production of sugar on the islands is almost entirely done by four classes, as follows: Portuguese, Japanese, natives and Chinese. The distribution of these different nationalities for work on plantations seems to run in the order which I have named them. It will be seen from the table on page 127 that this is the order according to wages paid. I desire to discuss under this head the prospect for a future rise in the wages. It will be seen by the tables on page 128 that the greater portion of these laborers are Asiatics, there being many more Japanese than Chinese. Almost all of the laborers were brought to the islands originally under contracts. A contract laborer is one who signs a contract agreeing to work for his employer for a stipulated sum for a stipulated time, on condition that the employer pay the expenses of transportation and furnish him a place to live, be boarding himself. Usually the time stipulated in these contracts is three years, and the wages \$12 to \$15 per month. There are other conditions in these contracts, and, in addition, the laws made by the Hawaiian Government give the planter almost entire control of the contract laborer's actions. He can be punished and imprisoned, and made to work; and the planter has the power to decide whether or not he is able to work and other powers which make peculiar reading under the jurisdiction of the State and Stripes. The contract laborer himself is known as a "coolie."

From a moral or an intellectual standpoint, he would not rank very high. I have seen them unloaded and "corralled" by the hundred. It is hard to imagine that any country could furnish so many human beings so ill equipped for civilized life. These people, as they arrive, are usually dressed in a single loose garment without other clothing except some form of sandals, and possibly a blanket. They present themselves as future wage-earners, possibly citizens, and are allowed to participate in the island affairs.

LABOR WILL BE DEARER.

Of course these are crude workmen—no wonder their pay is so little—but after three years' apprenticeship they are supposed to become more or less skilled, free to hire out as day laborers, go into business for themselves or return to the country they came from. Under the laws of the United States, which take effect June 14, 1906, no more Chinese laborers can come in, no more contract laborers can come, and all that are there simply become day laborers. If any additional Chinese come it can only be as merchants, students or travelers, and, as an element of the population, the Chinese will gradually become scarce. Some will die and some will return to their native land. If any additional Japanese come, of course it will be such as can pay their own expenses—a better class, who will demand higher wages, so that as these lower-class Chinese and Japanese decrease in numbers wages will become higher, the same as they did in California.

This change will begin immediately, as the demand for labor of all kinds is expanding at a wonderful rate in the islands. The history and conditions in this case are exactly the same as those of California, and it will be but a short time until they will be the same as those of California, and the same wages for the same kind of service as is paid in California today.

As business of all kinds increases in the islands, other industries will compete with the sugar industry in the demand for labor. If the cost of unskilled labor shall come up to a level with the cost of the same in the States, then the cost of labor to the Hawaiian sugar producer will have increased abnormally.

AS TO CAPITAL STOCK.

It is interesting in this connection to investigate some statistics which appear in Thrum's Annual for the years 1897-98. These statistics are used officially in the islands. In making a comparison of the number of tons of sugar to each laborer employed agriculturally and in the manufacture of the product, he gives the following:

1897, 9 1-3 tons of sugar to each laborer employed on the plantation or in the mill. 1898, 10 1-3 tons of sugar to each laborer employed on the plantation or in the mill.

The same authority gives the average wages paid on plantations as \$13 a month, or \$216 per year.

Suppose we take ten tons of sugar as the average amount produced per man during the years 1897 and 1898, then the cost of producing one ton would equal \$21.6, divided by 10, or \$2.16.

If the average wages in California are \$20 per month, and the average wages in Hawaii increase from \$13 to the California level, the change will involve an increase of 66 2-3 per cent. The increase in the labor cost of a ton of sugar will be \$14.40 and the labor cost of a ton of sugar will be \$21.60.

producing a ton of sugar in the islands at \$14.40 will increase the total cost of producing sugar in the islands to \$36.00 per ton, and the increase in the entire cost of production on account of this increased cost of labor will amount to 36 per cent.

The tendency of these companies to expand their capital stock to the highest limit furnishes another item of cost in production, which will not only make the cost of production higher than it has been hitherto, but it will have a tendency to fix this item permanently for the future. While the stock of these companies is listed as "all paid up," this does not necessarily mean that an amount of cash equal to the face value of the stock has been invested. It simply implies that the holder of the stock is not liable to assessment. In many cases the amount of the stock of a company is greatly increased by new issues which do not represent any new investment of capital whatever. I have already called attention to a concern whose profits were so large that the company called in the original capital stock and expanded it by issuing new shares of stock for five times the previous amount. This is probably the most radical move that has been made in this direction by any company, but as a rule the tendency has been to expand the capital

stock as far as the profits in the case would justify. Where this has not already been accomplished it is being arranged for wherever possible. As a factor of cost in the future production of sugar this change operates as follows: The investment of capital in any concern must always be reckoned as having an earning power. The operators of any business in making out their annual statements must count in as one of the items in cost of production a fair compensation for the capital employed. It is plain, then, that this item will be larger as the capital is expanded. In the case of the concern mentioned previously, this item will be five times as large as it would have been in the first instance. It will not do to say that a part of the capital is fictitious and that it was the smaller capital that earned the profits because a great deal of his capital stock goes onto the market and passes into the hands of bona fide purchasers at the market value based upon its earning power, so that in one sense the capital stock really represents the larger amount as an investment and must be so considered in the future in estimating the cost of production.

CROP ROTATION.
Another item that is well worth considering in this connection is the future productivity of the land that is constantly employed in growing a single crop. This land has to be heavily reinforced already by the use of fertilizers. It is a well-known doctrine of agriculturists that, under the system of crop rotation, which is either a system of lessening the amount of land available for sugar cane. Already rumors of this kind are more or less prevalent.

The lands controlled by these plantations are some of them owned in fee simple; others are held under long leases, some of them for fifty years. A considerable portion of the land is held. This portion either belongs to large estates or to the Government or to the Crown Land. The islands become more populous the value of these leased lands will increase. Much will depend on what may be the future policy with reference to the population of the islands, and upon this policy depends the future value of these lands, and, in the future, the future of the islands themselves, so far as they shall bear a part in carrying out the function of our free American government, which I understand is to bring to each individual as much comfort, intelligence and opportunity for a happy home life as it is possible for a government to accomplish.

Some of these leaseholds will soon expire, and, as has been stated, some of them are on lands under the control of the Government. The policy adopted in the future may be one which will bring these lands into the hands of small holders, who would, as is the rule in this country, be men with families which they are trying to rear, clothe, feed, protect and educate in the approved American fashion. This is a condition which the Americans as a rule would recognize as ideal. This condition would bring the most and best population, the most wealth, peace and happiness to the greatest number of people. On the other hand, the policy adopted may be such that these lands may be again controlled, in large tracts by the plantation companies. In this case the citizenship will be largely limited, so far as the rural districts are concerned, to hired laborers on the plantations, and the condition of the islands would mean the most wealth for the sugar industry, and this is the principal industry.

MAXIMUM OF SUGAR.

The future maximum production of the islands, among those who have given this subject consideration, ranges in estimate between \$50,000 and \$60,000 tons. A large portion of this can be produced at a large profit. When the actual cost of pumping water for irrigation to higher altitudes shall have been determined, then it will be possible to get at the earning rate of the various kinds of land on the islands. Probably all the lands estimated for the future production of the maximum \$60,000 tons will produce cane at a profit, providing there is no fall in the sugar market, but not over half or three-fifths of this maximum can be produced at a profit nearly so low as the average cost of production in the islands at the present time.

It has been my attempt in this discussion on the cost of production of sugar in the Hawaiian Islands to give the facts, possibilities, and probabilities. The resources of the Hawaiian Islands for producing sugar are wonderful. I was impressed with the gentlemanly demeanor and the business sagacity and tact of those representing the sugar interests there. It has undoubtedly resulted in energy to build up this industry as it has been done in the last twenty-three years. They have been men of business integrity. They have been able to induce millions of dollars of capital to invest in this country, and this capital has nearly always been able to find its reward. They have been men who have made a study of the best resources, methods and appliances. They have had faith in their enterprises, and their faith has been rewarded. They have been specially favored; after many fruitless efforts, they finally succeeded in establishing reciprocity between the Hawaiian Islands and the United States in 1896. This was practically the beginning of their prosperity, as it gave them a free market for their shores for their chief product, sugar, and they had water transportation to this market. The volume of trade between the two countries was very favorable to them, as the imports per annum from the United States would not average in value over half the amount of products that we purchased from them. This trade balance with the States is still, and will be for some time, very much in their favor. The American people have from the beginning expressed satisfaction in the annexation of these islands, and have cheerfully allowed this advantage in trade. As the sugar industry is gradually developing in the States themselves, a desire for information as to the amount and cost of production in our new possessions, and other facts incident to the sugar industry, has been quite generally manifested, and this legitimate demand for information it is my effort, within the limits of my opportunities, to satisfy.

DO NOT WAIT TO REGISTER, DO IT NOW.

YANKEE AND BRITISH GENERAL.

An amusing incident (says "M. A. P.") occurred a few days ago in Cork. Lady Claremorris, who was visiting General and Mrs. McCalmont at Government House, was being seen off at the station by the General, who wore a fatigue uniform. While they were chatting at the carriage door, an Irish Yankee was arguing loudly with a porter hard by about his "baggage," which he wanted to get labelled for the "King of the Mountains." The Yankee explained to him that that train was going to Limerick, and not to Kingsbridge. The Yankee would insist on having his baggage put on the train, and demanded to see the "station agent." Looking around in his excitement for someone in authority, Jonathan's eye caught the gold facings of the General's uniform, and marching up to him he tapped him smartly on the shoulder, saying, "Look here, old King of the Mountains, and here is a train leaving for the station, and the porter has put it aboard." "Well," answered the General, "what have I got to do with it?" "Haven't you?" returned the Yankee, "rowing more and more indignant, 'I'll be waiting for you,' 'I'll let you see you can't be waiting for your work to be done.'" Dublin Warder.

REGISTER TODAY.

"BOB" MAY BE THROWN DOWN

(Continued from Page 1.)

features of the evening's addresses. Another native leader of the valley made a very enthusiastic speech. Throughout the meeting cheering was frequent, the natives sometimes rising and throwing their hats in the air to express their feelings. The success of the meeting shows the results of the hard work which James H. Boyd has done in the valley. He claims it is a solid Republican district.

DR. RODGERS SURPRISED.

Dr. Rodgers of the Board of Education was a very much surprised official on Thursday night when he went out to Kaula schoolhouse to see whether or not a political meeting was being held there. He found one. It was being run under the auspices of the Republican party. It was red hot and the speakers were enthusiastic. In an interview with Dr. Rodgers on Thursday he announced that the Board of Education would allow no political meetings to be held in any of the schoolhouses, and that the Republican meeting scheduled for Kaula schoolhouse for that evening would have to be held elsewhere. He said the only way they could hold a meeting in the school was to break in. The Republicans got in in some way, lit the lamps, opened the windows and proceeded to have a big blowout. Dr. Rodgers took the only course left to him. He smiled and said as long as the Republicans had possession it was better they remain there until the meeting was over. He says he will put double padlocks on the doors while the campaign lasts. The audience was composed mostly of natives and was addressed by Hon. Henry Waterhouse, Ed. Bolster and two or three native orators. A resolution was unanimously passed at the close of the meeting by which every one present endorsed the ticket and promised to vote it straight.

AT PUULOA AND AIEA.

The Republicans had a successful meeting at Puuloa and Aiea last Thursday. At the former place the speakers of the party were hospitably entertained by Mr. and Mrs. John Defries, at their home, after which the meeting was held in the hall from 1:30 o'clock p. m. to 4:30 o'clock p. m. About forty-five enthusiastic Hawaiians were present at the meeting.

The speakers were L. L. McCandless, Judge Hockana, G. Kauhi, George R. Carter, F. K. Archer, H. R. Hitchcock and J. D. Kaulukou. After the meeting the party returned to the Puuloa depot, where they met the train and proceeded to Aiea. Another meeting was held here from 7 o'clock to 8:45 o'clock p. m. About seventy Hawaiians came to hear the Republican speakers. The speakers were L. L. McCandless, J. L. Kaulukou and George R. Carter.

TALKED AT WAIMANALO.

A meeting was also held at Waimanalo schoolhouse last Thursday by the following candidates of the Fourth District: Archie Gilliland, W. H. Hoogs, J. W. K. Keiki and Jonah Kumafae. Frank Paha, one of the senatorial candidates, was also present. About seventy gathered at the schoolhouse to hear the Republican speakers expound sound doctrine on Republicanism.

ELSTON IN QUARTET.

Mr. Charles Elston has joined the Republican quartet in the place of W. J. Coelho, who was sent to Hawaii by the Republican central committee. A number of pressing engagements necessitated the filling of the vacancy at once. The quartet will be known hereafter as the Tuxedo Quartet, and will devote its time to high-class music.

THE LANES REPUBLICANS.

It is understood that the well known native family of Lanes have been won over to the Republican standard and will do yeoman work for that party during the rest of the campaign. One of the family proved himself an effective speaker last night at Manoa Valley.

Jessie Kane, the well known woman leader among the natives, has organized a Hawaiian Woman's Republican Club, and will use to gain votes for the party of McKinley and Parker by laboring among her sex on Oahu.

SEA VOTERS TO REGISTER.

Seventy-two men of the Kinau, Claudine and Alice Kimball, of the Wilder line, are to register today. They will make an imposing phalanx, inasmuch as it is believed that they are straight Republicans.

A VIGOROUS CAMPAIGN.

The Young Men's Republican Club are out for a vigorous campaign of the real old-fashioned kind. They believe in torchlight processions, big rallies and plenty of enthusiasm. Brass bands, red fire, marching clubs and flambeaus, they believe, talk Republicanism and explain the party principles as much as volumes of printed matter and oratorical contests. The executive committee is understood to have wrestled with the torchlight procession campaign. There are several hundred torches at headquarters, and all that is needed is to have them filled, advertise a rally and put a brass band at the head of the bearers of them and enthusiasm will be on the jump.

DAVID REGISTERS.

Prince Returns to Hawaii After Few Hours in City.

Prince David has come and gone. Between midnight and noon only did he remain in the city. He floated in during the wee sma' hours of yesterday away again on the Mauna Loa at 11 o'clock in the morning. Judging from the brevity of his stay here he was fearful of being converted to Republicanism if he tarried, or else he dreaded the influence and the votes which Sam Parker might be securing during his absence from Hawaii.

At any rate he has gone back to Hawaii to catch up with himself in the electioneering tour which he has planned to cover the big island, and he not only will not be here on Monday, when the "as open" of being nominated for delegate to Congress by the Democrats, but he will not return until he has finished stumping all of Hawaii and of Maui and Molokai.

When the Waialeale arrived in Hilo to give David the information that unless he hastened home again and signed his name to the roll of registration his hopes of being a delegate to Congress would go glimmering before even the people had a chance to get in their

solar plexus blow at the polls. David was at Honolulu, filing the famous with Democratic Bryanized doctrine, all about 16 to 1, and other fallacies. Bert Colburn communicated immediately with him, and impressed upon him the need to hasten home. It is not recorded what David said on receiving this information, but it was a sad jolt to a man who was having such a continuous round of pleasure with luau and such scheduled until he had as many engagements as the average society woman. David rebelled at the order to come home instantly, and he went to Hilo and held one meeting there before he would consent to board the Waialeale for home. The boat left there on Wednesday shortly after midnight and was whistled as rounding Diamond Head at 1 o'clock yesterday, as was announced by the Advertiser. David made short work of his business here. At 9 o'clock a meeting of the Democratic braves was held at their headquarters, and the situation was discussed thoroughly. When the Board of Registration opened its doors at 10 o'clock David was the first to register. His petition of nomination was then prepared, and will be filed with Secretary Cooper early today. On the official ballot David's name will appear as "David Kawanakoa (Prince David)." Both names being used, so that no friend of the Prince who knows him by his royal appellation may be misled by his long and somewhat unwieldy surname.

All the business for which he was summoned having been transacted before the hour when the Mauna Loa was scheduled to sail, David had plenty of time to board her and go back to Hawaii to get down to the serious business of cornering the vote market of that island.

DAVID ON HAWAII.

Prince David, the Democratic standard bearer, accompanied by John Wise, William Nilikalani, Tommy Clark, William Wise and Harry Rickard, arrived here yesterday. His petition of nomination was then prepared, and will be filed with Secretary Cooper early today. On the official ballot David's name will appear as "David Kawanakoa (Prince David)." Both names being used, so that no friend of the Prince who knows him by his royal appellation may be misled by his long and somewhat unwieldy surname.

On arrival in Hilo the distinguished candidate for Congressional honors learned that he had neglected to register in Honolulu, and that the Waialeale had been sent for him to take him home. His triumphant march was thus rudely ended. It is the belief in Hilo that the nomination of Prince David will cause a violent rent in the fabric of which the Independent party is constructed, and that the vote for Sam Parker will be larger for it.—Hawaii Herald.

HAWAII LEGISLATORS.

The following are the nominees of the Democratic party on the island of Hawaii for the legislature. All of the petitions arrived by the Waialeale yesterday morning. Several of them were filed some days ago:

For Senators, Hawaii—John Brown, Harry Rickard, Samuel Kaupane, Palmer Woods.

For Representatives, First District—R. H. Makekua, S. H. Haheo, William Purdy, William Nallia.

For Representatives, Second District—H. M. Kaneho, J. H. S. Martin, S. H. K. Ne, J. W. Kellikoa.

DO NOT DELAY REGISTERING.

CAPT. SAM JOHNSON BACK

Took an Odorous Excavator to the Rainy City.

Captain Sam Johnson returned with Prince David on the Waialeale early yesterday from Hilo. Johnson went to Hilo in charge of an odorous excavator, which was ordered sent there some time ago. He was ordered to take all the necessary steps toward getting the work running properly. Right at the start, however, he ran against a snag, for there was ascertained to be no proper place in which to discharge the excavators after they had been used for pumping out cesspools. Captain Johnson selected a crew of men to manage the excavator, and instructed them in its workings. He will make a report to the Board of Health of his work, and it is likely that he will recommend the construction of some place for the discharging of the excavators.

Captain Johnson says that the sanitary condition of Hilo is very bad, and that some radical reforms are absolutely necessary.

Registration Board's Session.

The Board of Registration was asked yesterday whether they would keep open sessions for a longer time each day from now on until the close of their work on the 10th. Lorin Andrews, president of the Board, said there were no more persons coming to the Board to register than they could well handle during the regular hours of the sessions, but that on October 10th, the last day, they would, in all probability keep open session from early morning until 9 o'clock at night.

DELICIOUS MOCK CHICKEN.

Cover two cupsful of small hominy, usually called grits, with a quart of milk. Soak it in a cold place over night. Next morning cook until thick and tender. Put through nut grinder half a pound of blanched almonds, the same of pecan nuts and the same of pine nuts. Add to them half a teaspoonful of salt, two hard boiled eggs chopped fine, and a tablespoonful of chopped parsley. With your hominy form a sort of back of a chicken; stick the nut mixture inside, and then cover over with hominy in the shape of a chicken. Form the legs in the same way; fasten them to the sides; stick in a little piece of macaroni for the bone. Brush this over with melted butter or beaten egg and bake it one hour in a hot oven, basting frequently. Serve with cream sauce.—Ladies' Home Journal.

When you cannot sleep for coughing, it is hardly necessary that any one should tell you that you need a few doses of Chamberlain's Cough Remedy to allay the irritation of the throat, and make sleep possible. It is good. Try it. For sale by Benson, Smith & Co., Ltd., wholesale agents.

UNPLEASANTNESS AT THE WINDOW.

Paying teller—"Excuse me, madam, but I don't know you."
Lady with check—"Know me? Well, I should think not. There are no bank cashiers in our set."—Chicago News.

NOT DISAPPOINTED.



"Wonder if he's going to put circus pictures at the side?"



"I knowed it was wickedness of some sort!"

HARD TO SIZE UP.

"He wore his evening clothes at breakfast!" exclaimed one woman. "Yes," answered the other. "I can't make up my mind whether he is from Chicago or whether he's one of the Newport fashionables trying to do something dashing and original."—Washington Star.

POSSIBLE MOTIVE.

"A plot against the life of the Prince of Wales has been discovered." "Now, why should anybody wish to kill Wales?" "I don't know. The police are said to be arresting everybody who doesn't look well in the new frock coat."—Detroit Journal.

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